

8:30 a.m.  
April 25, 2000

MINUTES -REGULAR MEETING

Evergreen Plaza Bldg. Room 203  
711 Capitol Way South  
Olympia, Washington

COMMISSION MEMBERS PRESENT

Susan Brady, Chair  
Ronda Cahill, Vice Chair  
Christine Yorozu, Secretary  
Gerry Marsh, Member  
Dean Sutherland, Member

STAFF PRESENT

Vicki Rippie, Acting Executive Director  
Susan Harris, Asst. Dir., Compliance  
& Enforcement  
Karen Copeland, Asst. Dir., Records &  
Administration  
Michael Smith, Chief Information  
Technology Officer  
Richard Heath, Senior Asst. Attorney  
General  
Jean Wilkinson, Asst. Attorney General  
Steve Reinmuth, Asst. Attorney General  
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Susan Brady at 8:30 a.m. in the Evergreen Plaza Building, Room 203, Olympia, Washington.

Minutes

**MOTION 00-127**

Moved by Commissioner Yorozu, seconded  
by Commissioner Cahill:

**The Commission adopts the  
minutes of the special meeting of  
February 29, 2000, as written.**

The motion passed unanimously.

Commissioner Comments

Commissioner Cahill was pleased with the editorial the Spokesman Review gave the Public Disclosure Commission after a meeting with their editorial board and added that there has been very positive community feedback as a result.

Citizen Comments/Concerns

No citizen comments or concerns were expressed.

Advisory Matter

Assistant Attorney General Steve Reinmuth represented staff regarding the reporting of Weyerhaeuser Co. Forestry Field Trips by lobbyists (RCW 42.17.170) and filers of the Statement of Financial Affairs (RCW 42.17.241). Weyerhaeuser provides state and local officials and employees with an aerial tour of its forestry land, including seedling production, forestry and silviculture, logging and manufacturing and the reforestation of the Mt. St. Helen's blast zone. Participants are required to provide their own transportation to and from Weyerhaeuser Co. headquarters in Auburn, but they are transported by helicopter while on the field trip.

Mr. Reinmuth summarized staff's position that elected officials and other F-1 filers who participate in the field trips are required to report the field trips on their annual Statement of Financial Affairs. RCW 42.17.241 requires persons subject to the law to report "a list of each occasion, specifying date, donor and amount at which items specified in RCW 42.52.010(9)(d) and (f) were accepted." Mr. Reinmuth noted that an amendment to RCW 42.52.010 caused subsection 9 to become subsection 10, but RCW 42.17 was not amended to reflect the change. Mr. Reinmuth stated that Weyerhaeuser Company's argument that a section of law becomes invalid if a wrong cite is referenced is not correct.

Mr. Reinmuth continued by saying that Weyerhaeuser Co. or its lobbyist also has a

reporting obligation to include the forestry field trips on their forms since the events were intended to influence decision makers.

Mr. Bruce Beckett, representing the Weyerhaeuser Company, summarized the objectives of the Forestry Field Trip and argued that the events are not a reportable food/beverage event under RCW 42.17.241(l) because they don't surpass the \$50 limit.

Mr. Beckett further noted that RCW 42.52.010(10)(d) applies to situations "*where an individual receives the benefit of another person or entity paying for travel, lodging, and subsistence expenses incurred the day before through the day after in connection with a speech, appearance or trade mission made in an official capacity.*" And RCW 42.52.010(10)(f) applies to situations "*where an individual receives the benefit of another person or entity paying for their enrollment and course fees, lodging, travel and subsistence expenses for attending seminars or educational programs.*" He pointed out that Weyerhaeuser does not pay for any of the expenses participants incur in going to and from the forestry field trip, nor do they pay for fees and expenses attributable to attending the forestry field trip.

Commissioner Sutherland thanked Mr. Beckett for being the "test case" for this issue and for raising a technical issue in the statute and suggested that the Commission look into it and determine if it should be pursued. He also commented that the law requires reporting of travel expenses incurred in connection with a speech, appearance or trade mission made in an official capacity.

Commissioner Brady raised concerns as to other entities that provide similar travel occasions and the steps staff would take to notify them of their reporting requirement.

Vicki Rippie commented that a detailed presentation on reporting provisions is conducted

at the beginning of each legislative session and these types of reporting issues could be emphasized, along with a notice on the web site and in the reporting manuals.

**Motion 00-128**

Moved by Commissioner Cahill, seconded by Commissioner Sutherland:

**The Public Disclosure Commission interprets RCW 42.17.170 and RCW 42.17.241 as requiring all entities that lobby to file a listing for excursions or occasions showing the elected and appointed officials, and other individuals required to file the Personal Financial Affairs Statements (PDC Form F-1), attending. The listing is to show the names of attendees, date, pro rata cost, and a brief description.**

**The information is to be filed as part of their lobbyist's monthly expense report (PDC Form L-2) covering the month in which the lobbying excursion or occasion was held. In addition, the lobbyist is to provide an L-2 Memo Report to all officials and other individuals attending who are required to file the F-1 report.**

**This interpretation will be posted to the Public Disclosure Commission's Internet Website and provided to all registered lobbyists.**

**The interpretation is effective July 1, 2000. Commission staff is to begin the formal rule-making process with respect to this interpretation.**

The motion passed unanimously.

Legislation

Vicki Rippie summarized the timeline the agency has established for the implementation of SB 5931 and SB 6775, the electronic access and reporting laws. She also reported that the audit by the Joint Legislative Audit and Review Committee has

started with its final report likely being produced by the end of November.

Staff Reports

Acting Executive Director

Ms. Rippie updated the Commission on the supplemental budget request as well as the status of the agency's FY 2000 budget.

Chief Information Technology  
Officer

Michael Smith summarized the project initiatives in place to implement electronic filing, network and back-end server infrastructure upgrades and installation and implementation of hardware and software necessary to meet the goals for the 2000 election season.

Mr. Smith also introduced Bob Bennett, the staff person hired to spearhead the agency's upcoming application development efforts. He also commented that Mr. Bennett had redesigned the web site, making it easier for the public to obtain information off the site.

Records & Administration

Karen Copeland updated the Commission on the volume of reports received and the number of days until filings are available on the Internet.

Ms. Copeland reported that the agency has been certified by the Federal Election Commission as exempt from a federal requirement to receive and maintain paper copies of reports from Presidential and US House of Representative candidates.

Ms. Copeland also reported on the highlights of the 1998 Election Financing Fact Book, noting that the Fact Book is available on the web site and will soon be made available in hardcopy.

Compliance & Enforcement

Susan Harris reported on a plan being constructed to contact school officials, principal associations and school directors associations in an effort to educate them on the prohibition of using public facilities to assist campaigns. She also updated

the commissioners on the Highline School District's training efforts.

Assistant Attorney General

Jean Wilkinson briefed the Commission on the status of cases pending litigation, noting that one of the cases filed by Intercity Transit has been dismissed.

Steve Reinmuth reported on the petitions for enforcement that have been filed in superior court, noting that the backlog has been virtually eliminated.

Mr. Reinmuth also updated the Commission on the progress of the Seattle School District's settlement agreement regarding public disclosure act training.

Electronic Filing Project

Michael Smith updated the Commission on the status of the SDR Electronic Filing Project and summarized the matrix in place to meet goals for the Washington Electronic Disclosure System (WEDS), as well as a new imaging system and database implementation.

Doug Ellis reported on the amendment to the public disclosure law by ESSB 5931 and 6775 which requires all candidates and political committees spending \$25,000 or more to file campaign forms electronically by the year 2002. He summarized potential statewide training sites and marketing ideas to provide basic instruction on filing electronically.

Commissioner Yorozu requested follow-up on working with the bankers' association and other similar associations to help them understand the restriction on loans to candidates and their committees.

Mr. Ellis reported that an attempt has been made to contact the bankers' association. However, staff is currently awaiting the Attorney General's Opinion and will move forward with the education process once the AGO is received.

Enforcement Matters

Requests for Review

Assistant Director Susan Harris provided background to the Commission on enforcement hearings held in December 1999 for approximately 450 individuals who failed to file the Candidate Registration and/or the Statement of Financial Affairs.

*Louis Wolfrom, case #00-857*

Ms. Harris reported that an enforcement hearing was held on December 9, 1999, where Mr. Wolfrom was found to have violated RCW 42.17.050 for failing to file a Candidate Registration and RCW 42.17.240 for failing to file a Personal Financial Affairs Statement. He was ordered to pay \$500 with \$450 suspended if he filed the forms and paid the penalty within 30 days. The forms were filed on February 17, 2000.

Mr. Wolfrom was present and addressed the Commission stating that he was not aware that the forms needed to be filed since he was in an unpaid position as a school board member.

There was no motion to reconsider this matter.

*Ronald Springer, case #00-782*

Ms. Harris reported that an enforcement hearing was held on December 9, 1999, where Mr. Springer was found to have violated RCW 42.17.050 for failing to file a Candidate Registration. He was ordered to pay \$500 with \$450 suspended if he filed the form and paid the penalty within 30 days. The form was filed on January 28, 2000.

Mr. Springer was present and stated that he thought that he had filed all the required forms. He ran unopposed and did no campaigning. The missing form was an unintentional oversight and has since been filed.

**Motion 00-129**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission upholds the violation of RCW 42.17.050 in case # 00-782 and amends the order to show a penalty of \$50 and a payment schedule of \$5.00 per month.**

The motion passed unanimously.

*Wylie Mills, case #00-629*

Ms. Harris reported that an enforcement hearing was held on December 16, 1999, where Mr. Mills was found to have violated RCW 42.17.240 for failing to file a Personal Financial Affairs Statement. He was ordered to pay \$150 with \$50 suspended if he filed the form and paid the remaining penalty within 30 days.

Mr. Mills was present and reported that he had been incarcerated during the time the form was due as well as during the campaign season.

**Motion 00-130**

Moved by Commissioner Marsh:

**Commission upholds violation in case #00-629 and suspends the penalty in full if the forms are filed within 30 days.**

Motion died for lack of a second.

**Motion 00-131**

Moved by Commissioner Sutherland, seconded by Commissioner Cahill:

**The Commission upholds the violation of RCW 42.17.240 in case #00-629 and amends the order to show a payment schedule so that the \$100 is paid in full by the middle of July, 2000.**

The motion passed unanimously.

*Michael Resetar, case #00-724*

Ms. Harris reported that an enforcement hearing was held on December 9, 1999, where Mr. Resetar was found in violation of RCW 42.17.050 for failing to file a Candidate Registration. He was ordered to pay \$500 with \$450 suspended if he filed the form and paid the remaining penalty



within 30 days. The form was filed on February 25, 2000.

Mr. Resetar was present and reported that the King County Auditor's office told him that he did not have to file a Candidate Registration, only a Financial Affairs Statement. He also stated that he did not receive any letters prior to the certified letter containing the order.

Commissioner Cahill expressed concern with candidates being given incorrect information by the county auditor's office personnel.

Ms. Rippie reported that last year she conducted a workshop in conjunction with the Division of Records and Elections in King County and it is possible that the Division's new staff could have misconstrued the mini and abbreviated reporting information provided.

**Motion 00-132**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission upholds the violation of case #00-724 and suspends the \$500 penalty in full.**

The motion passed unanimously.

Reporting Modifications

New

*David Johnson, Counsel,  
Senate Committee Services*

Ms. Harris reported that Mr. Johnson requested not to report payments received from business and governmental customers by Elliott Sales, of which his spouse is an officer and director.

Mr. Johnson was present and requested that he not be required to provide information for Elliott Sales because of the volume of information involved and the corporation's likely unwillingness to cooperate.

Mr. Johnson advises the Natural Resources, Parks and Recreation Committee as well as the Agricultural and Rural Economic Development Committee.

Commissioner Sutherland questioned whether the types of products distributed by Elliot Sales were in any way related to agriculture or natural resources.

Mr. Johnson reported that Elliot Sales provides promotional items imprinted with names of individuals or corporations.

**Motion 00-133**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission grants the reporting modification to David R. Johnson as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Commissioner Sutherland suggested that Mr. Johnson talk with staff to avoid any unintentional opportunity to hand out the products of Elliot Sales to candidates or any person related to the committees on which he serves.

Executive Session

The Commission went into executive session at 2:25 p.m. to discuss pending litigation with legal counsel and an employee performance review.

Public Session

The Commission returned to public session at 3:25 p.m.

**Motion 00-134**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission approves a 10% salary increase for Confidential Secretary Ruthann Bryant, retroactive to March 1, 2000, if possible.**

The motion passed unanimously.

Requests for Reconsideration

**Motion 00-135**

Moved by Commissioner Cahill, seconded by Commissioner Brady:

**The Commission dismisses case #98-298 against David Howell.**

The motion passed unanimously.

No motions were made to reconsider 38<sup>th</sup> District Democrats case #99-080, Lee Renney case #98-310, and David Ware case #00-191.

Requests for Review

*Dan Beckler, case #00-293*

Ms. Harris reported that Mr. Beckler filed for bankruptcy and publicly withdrew his name from the ballot through contact with the local newspapers.

**Motion 00-136**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission dismisses case #00-293, Dan Beckler.**

The motion passed unanimously.

*James Greenway, case #00-455  
And Yvonne Greenway, case #  
00-456*

Ms. Harris reported that James Greenway and Yvonne Greenway filed their Candidate Registration with the county auditor's office on time.

**Motion 00-137**

Moved by Commissioner Cahill, seconded by Commissioner Sutherland:

**The Commission dismisses case #00-455, James Greenway, and case #00-456, Yvonne Greenway.**

The motion passed unanimously.

*Debra Heinzman, case #00-489*

Ms. Harris reported that although Ms. Heinzman has a Sedro Wooley address, she was running for the City of Lymon position and the city has fewer than 1,000 registered voters. Therefore, there was no filing requirement.

**Motion 00-138**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission dismisses case #00-489, Debra Heinzman.**

The motion passed unanimously.

*Penny Lou Morris, case #00-631*

Ms. Harris reported that Ms. Morris is not requesting a review. She is, however, requesting that a payment schedule be established to pay the penalty and arrangements will be made to accommodate her.

*Florence Scott (German) case #00-752*

Ms. Harris reported that Ms. German was out of town during the election and believed that she had withdrawn from the race.

**Motion 00-139**

Moved by Commissioner Cahill, seconded by Commissioner Sutherland:

**The Commission sustains the violation of RCW 42.17.240 against Florence Scott German, case #00-752, and suspends the penalty of \$500.**

The motion passed unanimously.

*James Weiss, case #00-840*

Ms. Harris reported that Mr. Weiss provided a letter for the Commission to review

There was no motion to reconsider this matter.

*Robert Deering, case #00-378*

Ms. Harris reported that an enforcement hearing was held on December 9, 1999 where Mr. Deering was found in violation of RCW 42.17.050 for failing to file a Candidate Registration and RCW 42.17.240 for failing to file a Statement of Financial Affairs Statement. Mr. Deering provided a letter to the Klickitat County Auditor's office requesting his name be withdrawn from the ballot. However, the letter was received too late to have his name removed. Both forms were filed on February 2, 2000.

**Motion 00-140**

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

**The Commission dismisses case #00-378, Robert Deering.**

The motion passed unanimously

*Donald Eller, case #00-408*

Ms. Harris reported that Mr. Eller provided a copy of his Financial Affairs Statement dated May 12, 1999. Mr. Eller developed medical problems and gave his form to the fire commission to mail to the PDC.

**Motion 00-141**

Moved by Commissioner Cahill, seconded by Commissioner Yorozu:

**The Commission dismisses case #00-408, Donald Eller.**

The motion passed unanimously.

*Patricia Minnihan, case #00-631*

Ms. Harris reported that there had been a misunderstanding between Ms. Minnihan and staff and her form was filed in February, 2000.

There was no motion to reconsider this matter.

*David Mureson, case #00-641*

Ms. Harris reported that Mr. Mureson provided a letter for the Commission to review.

There was no motion to reconsider this matter.

*Karen Murphy, case #00-643*

Commissioner Sutherland questioned whether there had been a problem with the Klickitat County Auditor's Office personnel giving candidates incorrect information, since Ms. Murphy is one of a number of cases from Klickitat County.

Ms. Harris reported that the Klickitat County Auditor's Office provides candidates with PDC packets when they come to the office in person; however, no packet is provided to candidates that mail in their declaration form. Ms. Murphy did receive a PDC packet from the Auditor's Office.

There was no motion to reconsider this matter.

Commissioner Sutherland suggested providing a large poster to all county elections offices listing the PDC requirements in an effort to inform the candidates of their reporting obligations.

There were no motions to reconsider the following requests for review:

David Elkins, Dawn Ford, Andrew Gale, James Howley, Charles Jones, Myron Meikle, Larry Peterson, Duane Pounds, Martin Ringhofer, Dan Robinson, Michael Stoney, Kasey Studeman, Lorianne Taff, Charles Woodruff, James Young, Joan Young.

### Reporting Modifications

New

*Jeannie Darneille, Candidate,  
WA St House of Representatives*

Ms. Harris reported that Ms. Darneille has requested a modification with respect to three different entities. However, she only needs one for the law offices of H L Graham, which her husband owns.

**Motion 00-142**

Moved by Commissioner Cahill, seconded by Commissioner Brady:

**The Commission grants a reporting modification to allow Jeannie Darneille to satisfy the reporting requirements of RCW 42.17.241(1)(g)(ii) by identifying for the appropriate reporting period:**

- (a) The names of the reportable business clients for whom her spouse has done legal work;**
- (b) Other reportable business clients of the law firm whose interests are significantly affected by the actions of the state legislature, whose identities become known to the applicant by any means;**
- (c) The names of the reportable business clients of the law firm listed in Martindale Hubbell, the firm's publicity brochures, the firm's resume, or whose identities are otherwise publicized; and**
- (d) All governmental clients that have done business with the law firm.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Julia Garratt, Board Member,  
Indeterminate Sentence Review  
Board*

Ms. Harris reported that Ms. Garratt requested a reporting modification to not report her residence address. A modification is not required as long as she provides a mailing address.

The remaining new reporting modification requests were considered en masse.

**Motion 00-143**

Moved by Commissioner Cahill, seconded by  
Commissioner Marsh:

**The Commission grants the reporting  
modifications requested by Dan Grausz,  
Dan Kristiansen, Gary Locke, Dick Van  
Hollebeke as requested.**

**The Commission finds that literal  
application would cause a manifestly  
unreasonable hardship on the applicants  
and that a limited modification would not  
frustrate the purposes of the act.**

The motion passed unanimously.

Renewal (with changes)

**Motion 00-144**

Moved by Commissioner Cahill, seconded by  
Commissioner Marsh:

**The Commission grants the reporting  
modifications requested by Kenneth  
Alhadeff, Jeffrey Brotman, Robert Craves,  
Richard Davis, Gerald Grinstein, Karen  
Lane, John Powers and Cindy Zehnder.**

**The Commission finds that literal  
application would cause a manifestly  
unreasonable hardship on the applicants  
and that a limited modification would not  
frustrate the purposes of the act.**

The motion passed unanimously.

Renewals (no change)

**Motion 00-145**

Moved by Commissioner Marsh, seconded by  
Commissioner Cahill:

**The Commission grants the reporting  
modifications requested by Gordon Budke,  
Mari Clack, Gregory Dallaire, Aubrey Davis,  
Barbara Fahey, William Gates, Orlan  
Gessford, Kirk Michels, Jeffrey Nitta,**



**Michael Ogan, Michael Ormsby, Jay Reich,  
Mark Thompson, WA State School  
Directors' Association, Margaret Weiss and  
Betty Woods.**

**The Commission finds that literal  
application would cause a manifestly  
unreasonable hardship on the applicants  
and that a limited modification would not  
frustrate the purposes of the act.**

The motion passed unanimously.

Adjournment

Commissioner Brady adjourned the meeting at  
4:24 p.m. The next regular meeting is scheduled  
for Tuesday May 23, 2000.

Approved by the Commission 6/20/00